

SUMMATION OF BWC DATA

How well has the managed care model in Worker's Compensation system served the employers and citizens of Ohio? Consider the following stats and judge for yourself. The following data was released directly by the BWC.

While the issues are complex Chiropractic utilization within the system drastically decrease for three primary reasons:

- (1) Occupational medical clinics (occ med) effectively marketed to employers and patients, attracting patients into their office and away from Chiropractic offices, despite their increased use of drugs, the number one cost driver in the system.
- (2) MCO and employer driven initiatives effectively steered patients away from Doctors of Chiropractic while overall medical costs skyrocketed.
- (3) Deny-minded independent Chiropractic consultants denied hundreds, if not thousands, of patients appropriate care, making millions for themselves along the way.

CURRENT BWC ACCUMULATED DATA - OHIO

Ohio BWC Has Lost Investment Monies and Is Spending More for Health Care Cost.

1. BWC has increased employer premiums from 6.9% to 15.9%
2. BWC states that MEDICAL costs have increased to 48%.

BWC MEDICAL COSTS (MEDICAL PAID)

554	MILLION-	1998
595	MILLION-	1999
615	MILLION-	2000
699	MILLION-	2001
800	MILLION-	2002

CLAIMS VOLUME - (NEW CLAIMS/YEAR)

296,158	--	1998
288,242	--	1999
280,873	--	2000
263,911	--	2001
236,344	--	2002

Note: total costs up, while the number of claims actually went do.

HOSPITAL costs have increased 53%.

1998 - \$166,968,115
1999 - \$185,302,764
2000 - \$189,995,213
2001 - \$221,960,319
2002 - \$259,356,659

PRESCRIPTION drug cost increased to 104%.

Pharmaceutical Data - Gamma Claims - 3/97 thru 2/98

1. Total number of prescriptions:	1,207,992
2. Total amount paid - Gamma Claims	\$46,642,444.00
3. Total amount paid - Alpha/Beta Claims	\$10,756,716.0

Drugs reimbursed 3/97 thru 2/98

1. Narcotic - Analgesics	\$ 10,498,782.00
2. NSAIDS	\$ 8,026,428.00
3. Anti-depressants	\$ 6,669,335.00
4. Muscle relaxants	\$ 4,304,596.00
5. Anti-anxiety drugs	\$ 2,995,773.00
6. Histamine H2 inhibitors	\$ 2,473,983.00
7. Anti-convulsants	\$ 1,546,680.00
8. Anti-ulcer drugs	\$ 1,515,811.00
9. Non barbiturate sedatives	\$ 811,814.00
10. Calcium channel blockers (heart)	\$ 464,806.00

Pharmaceutical Reimbursement

1998	\$57,026,132
1999	\$67,461,430
2000	\$84,452,586
2001	\$106,959,155
2002	\$116,252,892
2003	\$130,000,000

Note: As Chiropractic care was being reduced, the number of prescriptions escalated by 600,000 scripts and drugs went from \$57-\$130 million in just 6 years.

Number of Prescriptions: 600,000 increase in number of prescription from 1998-2002. (1.2 million prescriptions 1998/ 1.8 million prescriptions 2002)

Vocational Rehabilitation reimbursement- 307.7 % increase

1998	\$ 9,943,772
1999	\$ 17,904,706
2000	\$ 21,811,363
2001	\$ 25,695,068
2002	\$ 40,540,765

Chiropractic costs 1998 - 2002

1998	\$72,116,963.00
1999	\$56,599,256.00
2000	\$55,736,001.00
2001	\$56,275,241.00
2002	\$64,467,227.00

I. Actual cost of Chiropractic vs. Medical Alpha Claims new injury, 1998- 2002

- a. DC - \$167,396,045
- b. DO - \$100,347,791
- c. MD - \$513,865,289.54
- d. Drugs- \$ 95,496,619,98

1. Allopathic care + drugs = \$709,709,700.95

2. DC care = \$167,396,045.11

3. Allopathic care 3.5 times more expensive than Chiropractic care

II. Actual cost of Chiropractic vs. Medical Beta claims/(1993-1997), 1998-2002

- a. DC - \$41,843,831.61
- b. DO - \$18,729,020.37
- c. MD - \$91,167,192.04
- d. Drugs- \$68,900,872.11

Actual cost of Chiropractic vs. Medical Gamma claims/ (before 1993) 1998-2002

DC	\$ 78,843,020.84
DO	\$ 36,884,143.18
MD	\$ 154,230,887.28
Drug	\$ 277,579,300.99

Acute/intermediate/long term care DCs

1998- \$6.2 million/\$12.5 mill/\$52.6 mill
1999- \$6.7 million/\$13.5 mill/\$34.0 mill
2000- \$7.5 million/\$15.6 mill/\$30.5 mill
2001- \$7.2 million/\$17.8 mill/\$30.5 mill
2002- \$6.7 million/\$20.4 mill/\$34.0 mill

Acute/intermediate/long term care drugs

1998- \$970,000/\$2.7 mill/\$53.0 mill
1999- \$878,000/\$3.5 mill/\$62.9 mill
2000- \$897,000/\$4.8 mill/\$82.0 mill
2001- \$1.1mill/\$5.6 mill/\$97.7 mill
2002- \$1.1mill/\$5.7 mill/\$108.6 mill

Acute/intermediate/longterm care MDs

1998- \$37.8 mill/\$25.7 mill/\$60.1 mill
1999- \$41.6 mill/\$29,9 mill/\$63.9 mill
2000- \$45.0 mill/\$34.2 mill/\$70.3 mill
2001- \$44.1 mill/\$37.4 mill/\$75.3 mill
2002- \$42.2 mill/\$37.0 mill/\$81.0 mill

BWC ADMINISTRATIVE COST

1997 \$264,565,420.00
1998 \$248,730,773.00
1999 \$244,100,802.00
2000 \$258,467,841.00
2001 \$259,562,046.00
2002 \$261,666,609.00
2003 \$269,302,381.00

TOTAL COST - \$1,806,395,872.00

MCO ADMINISTRATIVE COST (monies paid to each MCOs is different, just provided an average reimbursement per year per MCO.)

1997 - 57 MCOS - \$126,290,772.08	(\$2,215,627.57 per MCO)
1998 - 56 MCOS - \$118,818,920.64	(\$2,121,766.43 per MCO)
1999 - 45 MCOS - \$140,261,207.90	(\$3,116,915.73 per MCO)
2000 - 39 MCOS - \$144,410,449.96	(\$3,702,832.04 per MCO)
2001 - 37 MCOS - \$161,282,282.14	(\$4,358,980.59 per MCO)
2002 - 36 MCOS - \$171,794,038.33	(\$4,772,056.61 per MCO)

TOTAL MCO COST - \$862,857,671.05

BWC ADMINISTRATIVE COSTS, MCO COSTS INCENTIVE FEES AND PERFORMANCE FEES

1997 -- \$ 390,856,192.08
1998 -- \$ 367,549,693.90
1999 -- \$ 384,362,009.90
2000 -- \$ 402,878,290.96
2001 -- \$ 420,844,328.14
2002 -- \$ 433,460,647.33

TOTAL \$2,399,951,162.05

While there have been some successes like improvement in injury reporting and bill payment efficiency, etc, overall, Ohio spent over \$2.3 Billion over 6 years on MCOs only to watch medical and drug costs skyrocket. On top of that, the disability/impairment rates for the most common diagnosis made no improvement. Lumbar disc injury actually worsened. Worse yet, employer premiums are going up.

All that at the same time, Chiropractic utilization drastically decreased in Ohio. Clearly Chiropractic care is NOT the problem in Ohio's BWC system. In fact, in my opinion the system should encourage non-drug, non-surgical treatment of common work-related injuries to help lower overall costs, i.e. Chiropractic!